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SUBJECT: MIXED RESULTS FOR OPPOSITION IN WEEKEND
BY-ELECTIONS

REF: CANBERRA 653

¶1. (SBU) SUMMARY: By-elections in two federal parliamentary seats, caused by the resignation of former foreign minister Alexander Downer and former leader of the National Party Mark Vaile, will be held on Saturday September 6. The Liberal Party is expected to comfortably retain Downer's seat of Mayo, in Adelaide, while The Nationals are expected to lose the seat of Lyne, in northern New South Wales, to an independent. The Australian Labor Party (ALP) is not contesting either seat, since its chances of victory in these conservative electorates are very low. END SUMMARY.

NEW BLOOD FOR LIBERALS

¶2. (SBU) The by-election for the seat of Mayo, in the Adelaide Hills, was caused by the resignation of former Foreign Minister Alexander Downer. It will almost certainly be retained by the Liberal Party. In the 2007 election, Downer won with 51 percent of first preferences (after distribution of preferences 57/43 against the ALP). Knowing the seat is virtually unwinnable, the ALP decided not to contest the election because, as one South Australian ALP contact said, it would cost hundreds of thousands of dollars to run a credible campaign. The Liberals' candidate is Jamie Briggs, 31, a former workplace relations adviser to ex-Prime Minister John Howard. In spite of controversy over his role in WorkChoices, Briggs should comfortably win the seat.

COALITION LIKELY TO LOSE SEAT

¶3. (SBU) The by-election for the seat of Lyne, in northern New South Wales, was caused by the resignation of former Howard Government Deputy Prime Minister and leader of The Nationals, Mark Vaile. In the 2007 election, Vaile won the seat with 52 percent of first preferences (after distribution of preferences 63/37 against the ALP). Like Mayo, the ALP is not wasting its time on a futile cause. At face value, The Nationals should hold this seat. However, most observers are predicting independent candidate Rob Oakeshott will win comfortably.

¶4. In the 2007 New South Wales state election, Oakeshott won a huge 67 percent of first preferences, while the Nationals won only 19 percent and the ALP 9 percent. Oakeshott's former state seat of Port Macquarie takes in around half the voters of Lyne. The Liberals seriously considered running in Lyne but decided not to after Oakeshott announced his candidacy. Oakeshott entered the NSW parliament in 1996 as a National and is a former adviser to Vaile. The Nationals' candidate is Rob Drew, who was sacked in February as Mayor of Port Macquarie by the NSW government as a result of alleged financial mismanagement.

NO MORALE BOOST FOR COALITION

14. (SBU) COMMENT: If results are as expected, there will be significant discussion over the future of The Nationals, and the desirability of a federal merger with the Liberals. Lyne is a perfect example of why the National Party is declining. A coastal NSW seat that was once a National Party stronghold, Lyne has experienced an influx of retirees and younger voters and a decline in the agricultural sector. Mark Vaile, as a long-serving member, was able to hold the seat for the Nationals but now that he has gone, the party has no advantage. The loss of Lyne will reduce the Coalition's numbers in the House of Representatives to 64 seats and leave The Nationals' with only nine members. It will bring the number of independents to three, all former Nationals. Unlike the Gippsland by-election two months ago (reftel), neither of these by-elections will provide a morale boost for the Coalition. With the ALP not contesting, the Western Australian state election, held on the same day (septel), will have greater implications for the Rudd government.

MCCALLUM